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SUBJECT: (C) PRT SALAH AD DIN: SAD SIGNS CONTRACT FOR FIRST COMMERCIAL AIRPORT

Classified By: Gregory D'Elia for reasons 1.4 (b) and (d).

(U) This is a PRT Salah ad-Din reporting cable.

Summary

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¶11. (C) On 11 August, Salah ad-Din (SaD) Province signed a contract with a Turkish company for the construction of a commercial airport and industrial area east of Tikrit. Provincial leaders expect the airport project to be a tremendous boon to the provincial economy, serving as a means for prospective investors and for religious pilgrims to travel easily to SaD. End Summary.

¶12. (C) SaD Deputy Governor Abdullah Hussein al-Jubara told PRT members that SaD Province entered the contract with two Turkish companies for the construction of a commercial airport. The contract was signed on August 11 by SaD Governor Hamad Shakti al-Qaisi and Omar Taha, representing the Turkish company Decca. The signing ceremony was held in the Provincial Governance Building where four separate TV stations were on hand to cover the event. During the press conference, the Governor said that the contract was signed to "set up a civilian airport in Tikrit with Iraqi and Turkish companies." Taha said that the plans for airport construction were already complete. He explained that Decca would fund the project via a loan from an Austrian bank. The funding will be in several phases with a first stage of 75 million dollars to cover construction costs of the runway, operating costs, and buildings to house passenger terminals and services. Taha stated that the total amount of the project will ultimately reach 125 million dollars. Decca will be responsible for all expenses for construction of the airfield and numerous buildings that will surround the airport, and in return will receive 90% of profits for the first 30 years, with SaD receiving the remainder. After 30 years, SaD will receive 49% of the profits and Decca 51%.

¶13. (C) The airport will be located 10 kilometers east of Tikrit, the administrative center of SaD Province, building around a runway at a small military airport originally constructed during the 1980-1988 Iran-Iraq War. The contract calls for construction to start within three months and be completed within two years. Decca believes they will finish well before the two-year deadline, but all agreed the two-year timeline was needed as a buffer in case the security situation deteriorates. Decca will be responsible for the security of the airport gates, while SaD will be responsible for the outside the fence security. The DG of the SaD Provincial Investment Commission told us the airport's land is owned by the Ministry of Finance and represented by the real estate office in Baghdad . He has already obtained approvals from the MoF and 12 other required offices in the central government. Nevertheless, Abdullah told the press that the airport will only be built "after receiving the approval of the Iraqi Civilian Aviation Authority (ICAA)," which may still take several months.

¶14. (C) SaD Deputy Governor Abdullah Hussein al-Jubara has

been the driving force behind efforts to construct a provincial airport. Abdullah has been working for three years to bring in foreign investors into SaD and has made numerous trips to Turkey over the past 10 months. The provincial government believes that the airport will allow contractors to fly directly into SaD to arrange investor meetings and conduct site surveys for large investment projects in the future. In a private conversation, Abdullah told PRT members that 10 more investment projects will follow the airport. The airport is expected to help boost religious tourism in SaD, as it is located 35 kilometers from the Shi'a holy shrines of Ali Al-Hadi and Hassan Al-Askari in Samarra, and 70 kilometers from the Al-Sayed Mohammad holy shrine in Balad.

Comment

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¶5. (C) The province and the Turkish contractor still have to take several steps to identify an airport operator, ensure compatibility with international standards and receive certification from the ICAA. Once these steps are taken, the construction of an airport within ten kilometers of Tikrit will generate immediate income and employment gains during the construction process, and continued economic progress over time. If the security environment continues to improve, the proportion of local workers used relative to foreign workers will increase considerably, leading to greater gains.

SaD airport has the potential to leverage economic growth within the region to the extent that it develops as a conduit for international and domestic religious pilgrims intent on visiting the religious sites in Samarra. While less known as

BAGHDAD 00002645 002 OF 002

a Shi'a religious site than Najaf and Karbala, the ability of Samarra to attract religious tourists should not be underestimated. Mowaffak Al-Rubaie, Iraq's National Security Advisor, during a recent visit to Samarra referred to the development of Mashhad, Iran, as a model for the potential of Samarra. He explained that, in his opinion, Samarra will one day surpass Mashhad as a destination for religious tourism. He predicted that Shi'a believers from all around the world are aware of the restoration efforts in Samarra and will come in the millions when the shrine is open. He added that many in the region will walk in pilgrimage from their countries on holy dates. In an aside he also mentioned that Iranian President Mahmoud Ahmadinejad prays five times a day touching his forehead to a tile from Samarra. End Comment.

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